



## **Agricultural Marketing Service**

**[Doc. No. AMS-AMS-22-0056]**

### **2022/2023 Rates Charged for AMS Services: Revised Rates for Audit Services**

**AGENCY:** Agricultural Marketing Service, USDA.

**ACTION:** Notice.

**SUMMARY:** The Agricultural Marketing Service (AMS) is announcing revisions to the 2022/2023 rates it will charge for Federal and State Audit Services provided by the Specialty Crop Program. Revisions correct the base units for these user fee rates, which were published on June 14, 2022. All other AMS user fee rates will remain unchanged.

**DATES:** [INSERT DATE ONE DAY AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER].

**FOR FURTHER INFORMATION CONTACT:** Dr. Stephen Slinsky, Legislative and Regulatory Review Officer, AMS, USDA, AMS, USDA, Room 2036-S, 1400 Independence Ave, SW, Washington, DC 20250; telephone (901) 287-9719, or email [stephen.slinsky@usda.gov](mailto:stephen.slinsky@usda.gov).

**SUPPLEMENTARY INFORMATION:** The Agricultural Marketing Act of 1946, as amended (AMA)(7 U.S.C. 1621-1627), provides for the collection of fees to cover costs of various inspection, grading, certification, or auditing services covering many agricultural commodities and products.

On November 13, 2014, the U.S. Department of Agriculture (USDA) published in the **Federal Register** a final rule that established standardized formulas for calculating fee rates charged by AMS user-funded programs (79 FR 67313). Every year since then, USDA has published in the **Federal Register** a notice announcing rates for its user-funded programs.

On June 14, 2022, the notice announcing the 2022/2023 fee rates was published in the **Federal Register** (87 FR 35956). Since publication of this notice, personnel in AMS's Specialty Crop Program realized that the 2022/2023 rates pertaining to Federal and State Auditing Services were published with the wrong units specified –per-audit fee rates were published rather than per-hour rates. Therefore, AMS is announcing revisions to the 2022/2023 Federal and State Auditing Services rates. Revised rates are hourly rates and will become October 1, 2022, as anticipated.

### **Rates Calculations**

AMS Specialty Crop Program's inspection, certification, and auditing services are voluntary tools paid for by the users on a fee-for-service basis. Industry participants may choose to use these tools to promote and communicate the quality of fresh and processed fruits and vegetables to consumers. AMS is required by statute to recover costs associated with providing these services. Rates reflect direct and indirect costs of providing services. Direct costs include the cost of salaries, employee benefits, operating costs and, if applicable, travel costs. Indirect or overhead costs include the cost of Program and Agency activities supporting services provided to the industry. The formula used to calculate these rates also considers the need to maintain operating reserves.

AMS calculated rates for services, on a per-hour basis or per-unit basis, by dividing total AMS operating cost associated with inspection, certification and auditing by the total number of hours required or units inspected and certified the previous year, which is then multiplied by the next year's percentage of cost-of-living increase, plus an allowance for bad debt rate. If applicable, travel expenses may also be added to the cost of providing the service.

All rates are per-hour except when a per-unit cost is noted. The specific amounts in each rate calculation are available upon request.

### **2022/2023 Rates**

<b>Specialty Crops Fees</b>					
<b>7 CFR Part 51 – Fresh Fruits, Vegetables and Other Products (Inspection, Certification, and Standards)</b>					
<b>Subpart A - Requirements;</b>					
<b>§§ 51.37 - 51.44 Schedule of Fees and Charges at Destination Markets</b>					
<b>§ 51.45 Schedule of Fees and Charges at Shipping Point Areas</b>					
	Regular	Overtime	Holiday	Includes Travel Costs in Rate	Start Date
Quality and Condition Inspections for Whole Lots	\$225.00 per lot				Oct 1, 2022
Quality and Condition Half Lot or Condition-Only Inspections for Whole Lots	\$186.00 per lot				Oct 1, 2022
Condition – Half Lot	\$172.00 per lot				Oct 1, 2022
Quality and Condition or Condition-Only Inspections for Additional Lots of the Same Product	\$103.00 per lot				Oct 1, 2022
Dockside Inspections – Each package weighing < 30 lbs.	\$0.044 per pkg.				Oct 1, 2022
Dockside Inspections – Each package weighing > 30 lbs.	\$0.068/pkg.				Oct 1, 2022
Charge per Individual Product for Dockside Inspection	\$225.00/lot				Oct 1, 2022
Charge per Each Additional Lot of the Same Product	\$103.00/lot				Oct 1, 2022
Inspections for All Hourly Work	\$100.00	\$137.00	\$175.00		Oct 1, 2022
Audit Services – Federal	\$132.00				Oct 1, 2022
Audit Services – State	\$132.00				Oct 1, 2022
GFSI Certification Fee <sup>1</sup>	\$250.00/audit				Oct 1, 2022
<b>7 CFR Part 52 – Processed Fruits and Vegetables, Processed Products Thereof, and Other Processed Food Products</b>					
<b>Subpart A – Requirements Governing Inspection and Certification;</b>					
<b>§§ 52.41 - 52.51 Fees and Charges</b>					
	Regular	Overtime	Holiday	Includes Travel Costs in Rate	Start Date

<sup>1</sup> Global Food Safety Initiative (GFSI) Certification Fee - \$250 per GFSI audit to recoup the costs associated with attaining technical equivalency to the GFSI benchmarking requirements.

Lot Inspections	\$85.00	\$112.00	\$139.00		Oct 1, 2022
In-plant Inspections Under Annual Contract (year-round)	\$85.00	\$107.00	\$129.00		Oct 1, 2022
Additional Graders (in-plant) or Less Than Year-Round	\$91.00	\$120.00	\$149.00		Oct 1, 2022
Audit Services – Federal	\$132.00				Oct 1, 2022
Audit Services – State	\$132.00				Oct 1, 2022
GFSI Certification Fee <sup>1</sup>	\$250.00/audit				Oct 1, 2022

**Authority:** 7 U.S.C. 1621-1627.

**Melissa Bailey,**

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